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RUEAEPA/HQ EPA WASHDC
RHMFIUU/DEPT OF ENERGY WASHINGTON DC
RUCPDOC/DEPT OF COMMERCE WASHDC
RUCPDC/NOAA NMFS WASHDC
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STATE FOR OES/WATSON, OES/EGC-DEROSA-JOYNT AND OES/PCI
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STATE PASS TO CEO CONNAUGHTON AND BANKS
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SUBJECT: SECRETARY OF ENERGY BODMAN'S MEETING WITH
CHAIRMAN SUN QIN OF THE CHINA ATOMIC ENERGY AUTHORITY

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¶1. (SBU) Summary. Secretary of Energy Samuel Bodman
discussed the Global Nuclear Energy Program (GNEP),
Generation IV International Forum (GIF), ongoing
cooperation under the Peaceful Uses of Nuclear Technology
(PUNT) and potential areas for new cooperation with China
Atomic Energy Authority (CAEA) Chairman Sun Qin after the
Strategic Economic Dialogue (SED) December 15. Chairman
Sun said that China would have much to contribute to GNEP,
but needs to learn more about the program and is willing to
engage in a private dialogue to do so. The Ministry of
Science and Technology (MOST), which signed the GIF
agreement, is considering full cooperation in GIF, Chairman
Sun said. Chairman Sun expressed interest in enhancing
China's nuclear security efforts before the 2008 Olympics,
and continuing enhancing nuclear safety and security as
China launches its ambitious nuclear power program.
Finally, Chairman Sun said that China is interested in
increasing cooperation in nuclear energy development,
because he is concerned that China lacks adequate human
resources for future development needs. End Summary.

U.S. - China Nuclear Cooperation on Solid Footing

¶2. (SBU) During a December 15, 2006 meeting with CAEA
Chairman Sun Qin, DOE Secretary Bodman expressed
satisfaction with the length and quality of nuclear
cooperation with China during more than two decades of
formal cooperation. Chairman SUN highlighted the history
of the cooperation, beginning in 1985, when the United
States and China established the Peaceful Uses of Nuclear
Energy Agreement (PUNE) to the present, when the
cooperation is based on the Peaceful Uses of Nuclear

Technology (PUNT) agreement, signed in 1998. Exchanges between the two countries have continued to diversify, Chairman SUN added. Beginning with the October 2005 Joint China - U.S. Integrated Nuclear Materials Management Technology Demonstration at the China Institute of Atomic Energy (CIAE), Chairman SUN continued, the two sides are participating in expanded areas of cooperation in nuclear technology, materials safeguards and security, waste disposal, and new cooperation on radiological sources security.

China Considering GNEP but Concerned about Risk

¶3. (SBU) Secretary Bodman expressed his view that China has a lot to contribute to GNEP's development, and hoped that China's decision to join the partnership would be forthcoming in the near future. Chairman SUN stated that China attaches great importance to the GNEP concept, but still needs to have a better understanding of its organization. SUN also acknowledged that GNEP's long-term purpose is to strengthen non-proliferation while developing nuclear energy, and noted that the United States devotes much effort to promote nonproliferation throughout the world. Nevertheless, China requires additional clarity on the program.

¶4. (SBU) Chairman SUN wanted to know whether there are risks in going from a theoretical fuel cycle concept technology into an engineering design and construction project. Secretary Bodman acknowledged that because GNEP is still in the research phase there will be risks. That is true of any research program, Secretary Bodman continued. However, it is important to know what the risks are, and pay attention to them. GNEP has three stages, the second of which is the research stage, taking place between the years 2008 to 2023, or providing more than 12 years to settle the technical issues, the Secretary asserted, reaffirming his belief that the risks will be resolved in that time frame.

Other China GNEP Concerns

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¶5. (SBU) Chairman Sun also wants to acquire further details on how the policy of returning reprocessed spent fuel to the country of origin would work, how would the added value derived from the production of plutonium fuel in the irradiated fuel be accounted for, and on the relationship between GNEP and other nonproliferation mechanisms, such as the Nuclear Nonproliferation Treaty (NPT), the Nuclear Suppliers Group (NSG), the IAEA Project on Next Generation Reactors (INPRO) and the U.S. GIF initiative.

¶6. (SBU) According to SUN, China is also concerned about GNEP's effect on the development of China's own nuclear industry, should it choose to become a GNEP partner. SUN indicated that China is willing to engage in a private dialogue in order to get a better understanding of GNEP and to discuss these matters with other countries to learn of their understanding of the program. He twice stated that China has a constructive attitude toward the project.

GNEP's Immediate Challenge Is To Design an International Cooperative Framework

¶7. (SBU) Devising the cooperative framework will require devoting a lot of effort to politics, diplomatic initiatives, and consideration of the national interests of countries that would participate in the program, Secretary Bodman noted.

China Signals Desire for Olympic Cooperation under PUNT

¶18. (SBU) Secretary Bodman and Chairman Sun affirmed their satisfaction with progress made under the PUNT agreement, with a working group meeting scheduled in Beijing early in 2007, a Chinese nuclear emergency delegation going to the U.S. at the end of January, and new cooperation on radiological source security being organized under the PUNT.

¶19. (SBU) Noting that China is host to the 2008 Summer Olympic Games, Chairman SUN voiced the need to strengthen nuclear security efforts for the games, given the limited time left before the games begin. Assistant Secretary Harbert responded that DOE is ready to work on a pilot project on radiological sources security that can be in place in time for the Olympics.

Other Cooperative Activities with the United States

¶10. (SBU) Furthermore, Chairman SUN indicated concern over the need to continue enhancing nuclear safety and security as China launches its ambitious nuclear power program. He signaled willingness for additional cooperation in the areas of nuclear safety, safeguards, security, waste disposal, and nuclear emergency response, each an agenda item under the PUNT Joint Coordinating Committee.

Cooperation on Expanding Nuclear Power Development

¶11. (SBU) Finally, Chairman SUN made a bid for additional cooperation in the nuclear energy development field, stating that China's research and development facilities are weak. China seeks cooperation with the United States in every aspect, SUN stated. Secretary Bodman disagreed with the characterization of China's capabilities, affirming his belief that China's great advantage is its engineering talent. Chairman SUN countered that given the enormity of the challenge, China does not possess sufficient human resources to satisfy future development needs. China is open to cooperation with other countries

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on nuclear energy and nuclear technology applications. Although Tsinghua University's high temperature gas cooled pebble bed reactor is a technical advantage, it is not a mature technology, he stated. Similarly, he added, the CIAE Fast Reactor, now under construction, will not reach criticality until 2009.

Full Participation in GIF

¶12. (SBU) Assistant Secretary Karen Harbert observed that DOE is happy to sponsor China's membership in GIF, and she encouraged China to take all steps to participate fully in GIF. She stated that there were approximately 60 technical meetings last year under GIF, and she noted that the program provided an opportunity for additional cooperation on nuclear issues. The Ministry of Science and Technology (MOST) signed the GIF agreement, and is considering full participation, Chairman SUN replied. China, he continued, will be able to benefit from the technology exchanges, but will also make contributions of its own, for example on high temperature gas cooled reactor research.

China's Participation in IAEA Antiterrorism Programs

¶13. (SBU) Chairman Sun also highlighted the attention and great interest that China pays to combat nuclear antiterrorism and its increasing cooperative activities on the subject with the International Atomic Energy Agency

(IAEA). China is ready to participate in the IAEA Nuclear Security Network Laboratory and will participate in the IAEA's non-proliferation supporting program, SUN declared. (Note: DOE is providing technical assistance with the Security Network Laboratory.)

Participants

¶14. (U) Participants from the U.S. the U.S. Department of Energy:

Samuel W. Bodman, Secretary of Energy
Karen Harbert, Assistant Secretary for Policy and International Affairs
Jeffrey Kupfer, Chief of Staff
Anne Womack Koulton, Director of Public Affairs
Molly Williamson, Senior Foreign Policy Advisor
Ben Getto, Senior Policy Advisor
Maria Holleran Rivera, Attach, DOE China Office

Participants from the China Atomic Energy Authority:

SUN Qin, Chairman
WANG Yiren - Director General Department of System Engineering
YANG Dazhu - Director General Department of Intl. Cooperation
HUANG Wei - Acting Division Director, Department of System Engineering
LI Junjie - Division Director, Department of System Engineering
CAO Shudong - Division Director, Department of System Engineering
ZHANG Shaoping - Interpreter, Department of Intl. Cooperation
Ms. XIAO Lili - Project Manager, Department of Intl. Cooperation

RANDT